

709 Experimental Classifications and Rates

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1.0 General Requirements for Negotiated Service Agreements (NSAs)

1.1 Basic Information

1.1.1 Definition and Purpose

A negotiated service agreement (NSA) is a customized and mutually beneficial contractual agreement between the USPS and a specific mailer (customer or organization). An NSA provides for customized pricing, rates, and classifications under the terms and conditions established in the NSA and may include modifications to current mailing standards and other postal requirements. Any mailer may submit an application for an NSA if the mailer meets the requirements in [1.2](#) and follows the process in [1.3](#).

1.1.2 Legal Framework

Terms and conditions of an NSA affecting rates or classifications require that the USPS request a recommended decision from the Postal Rate Commission before the USPS may approve and implement the NSA. NSAs must be recommended and approved under 39 U.S.C. 36 and the Postal Rate Commission's rules of practice and procedure.

1.2 Candidate Factors and Requirements

1.2.1 Factors

The USPS considers the following factors in evaluating any candidate's NSA proposal:

- a. Candidate's presentation of information as requested by the USPS to document the following:
 1. Current mailing systems, postage payment systems, and quality control procedures and programs.
 2. Historical data showing mail volumes and use of specific mail services or mailpiece characteristics, as applicable. The candidate, as necessary, must also provide the effect on mail volumes of any corporate mergers, acquisitions, divestitures, and similar events.

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- b. Candidate's ability to make and present in an acceptable format accurate forecasts of future mail volumes for USPS products and services proposed for an NSA.
- c. Candidate's ability to collect necessary data in an acceptable format to support an NSA.
- d. Candidate's willingness to establish and maintain electronic systems and quality control programs as specified by the USPS for paying postage and generating records to facilitate monitoring and reconciling mail volumes, rates, and fees, including volumes and postage paid by a mail preparation agent on behalf of the candidate.
- e. Candidate's production of mail using a formal system to ensure proper mail preparation and accurate postage calculations.
- f. Candidate's use or planned implementation of a Certified Mail preparation total quality program to ensure proper mail preparation and to provide accurate documentation of mailings and postage payment.

1.2.2 General Requirements

No proposed NSA may have an overall negative financial impact on the USPS. Any proposed NSA must also contain, at a minimum, the following general candidate requirements and conditions:

- a. The candidate must permit USPS inspection of mail content to determine rate eligibility.
- b. The candidate must prepare mail under current applicable mailing standards, unless they are to be modified under a proposed NSA.
- c. The candidate must meet and adhere to quality management standards for the classes of mail and rates claimed.
- d. The candidate must make available to the USPS necessary records and data related to the NSA in a form that facilitates monitoring of compliance with the terms and conditions of the NSA.
- e. The candidate must provide proper specified notice to cancel the NSA.
- f. The USPS has the right to cancel the NSA at any time with specified proper notice for any failure or, where appropriate, material failure of the mailer to:
 - 1. Use the NSA within the time period specified in the NSA.
 - 2. Provide accurate data, present properly prepared and paid mailings, or comply with any other material term or condition in the NSA.
- g. The candidate must engage counsel and file testimony as necessary in support of the NSA before the Postal Rate Commission.

1.3 Application Process**1.3.1 Initial Proposal**

A mailer seeking to enter into an NSA with the USPS must submit a written proposal, with appropriate supporting documentation, to the USPS manager of Pricing Strategy (see [608.8.0](#) for address). The proposal must contain the reasons

for requesting the NSA along with a summary of the information responding to the applicable candidate features and general requirements described in 1.2. A nondisclosure agreement must be signed before any substantive discussion of the proposal.

1.3.2 Negotiations and Contractual Agreement

As a result of the proposal, the candidate and the USPS may enter into negotiations to establish an NSA, with terms and conditions specific to the candidate, that is either a functionally equivalent NSA (i.e., comparable to an existing baseline NSA) or a new baseline NSA (i.e., not comparable to an existing NSA). A candidate in the negotiation process may withdraw a proposal for an NSA at any time prior to the execution of the NSA. Once the NSA is executed, the NSA is controlled by its terms and conditions.

1.3.3 Additional Consideration

If the USPS decides to end negotiations with the candidate before reaching an agreement to enter into an NSA under 1.1, the manager of Pricing Strategy notifies the candidate in writing and gives the reasons for the decision. Within 15 days from the receipt of the written explanation, the candidate may ask for reconsideration of the manager's decision. The candidate's request for reconsideration must include additional information and reasons why negotiations for an NSA should be resumed. The candidate submits the request for reconsideration through the manager of Pricing Strategy to the vice president of Pricing and Classification (see 608.8.0 for address).

2.0 Capital One Services, Inc. NSA

2.1 Agreement

The negotiated service agreement (NSA) that was the subject of Docket MC2002-2 requires Capital One Services, Inc. (Capital One) to receive electronic notification for undeliverable First-Class Mail solicitations instead of physical return of the pieces. The notices are to be provided through the Address Change Service (ACS) program (see 507.3.2) and the usual electronic address correction fee is to be waived. Capital One also agrees to maintain and enhance address and mail preparation quality. In exchange for Capital One's receipt of the electronic notice for its First-Class Mail solicitations and its compliance with the terms of the NSA, Capital One would have available declining block rates of postage for volumes above stated thresholds. A copy of the NSA is filed with the Postal Rate Commission in Docket No. MC2002-2 as Attachment G to the USPS's Request for a Recommended Decision and can be found at www.prc.gov.

2.2 Features

2.2.1 Requirements

To be considered comparable to the NSA in 2.1, a proposed NSA must have the following features:

- a. Use of First-Class Mail for matter that qualifies for Standard Mail rates.
- b. Waiver of seal against postal inspection of mail as agreed to by the mailer.

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- c. Computation of First-Class Mail postage by the use of declining block rates specified in the NSA and based on particular volume requirements that define incremental discount thresholds. The mail subject to the NSA must relate only to the mailer's products and services.
- d. Preparation of mail under applicable standards unless otherwise specified in the NSA.
- e. Adherence to the following address quality standards for the rates claimed:
 - 1. Participation in Address Change Service (ACS) under [507.3.2](#) using the endorsement "Change Service Requested" as described in [507.1.5.1](#) for undeliverable-as-addressed (UAA) mail.
 - 2. Use of National Change of Address Linkage System (NCOA^{Link}), *FASTforward*, or other USPS-approved method for meeting the Move Update standard. See [233.3.5](#) for First-Class Mail Presorted letters, [333.3.5](#) for First-Class Mail Presorted flats, and [433.3.5](#) for First-Class Mail Presorted parcels. See [233.5.1](#) for First-Class Mail automation letters and [333.5.1](#) for First-Class Mail automation flats. In addition to those standards, addresses used on mailings must be updated more frequently than 185 days or as required by the NSA.
- f. Overall positive financial impact on the USPS. A minimum payment or transactional penalty is required to ensure a positive contribution.
- g. Agreement to make necessary records and data available to the USPS to facilitate and monitor compliance.
- h. Ability of the USPS to cancel the NSA for any failure or, where appropriate, material failure of the mailer:
 - 1. To provide accurate data.
 - 2. To present properly prepared and paid mailings.
 - 3. To comply with a material term of the NSA.
 - 4. To use the NSA.

2.2.2 Candidate Factors

The following factors are considered by the USPS in evaluating a proposal for a comparable NSA under [1.0](#):

- a. Presentation by the mailer of at least 3 years of historical data to document mail volumes (including UAA mail), mailing systems and postage payment systems in use, and quality control procedures. The effect on mail volumes of any corporate mergers, acquisitions, divestitures, and similar events must also be provided.
- b. Ability to make and present in an acceptable format accurate forecasts of future mail volumes for USPS products and services proposed for the NSA.
- c. Ability to collect necessary data in an acceptable format to support the NSA.
- d. Willingness to establish and maintain an active Centralized Automated Payment System (CAPS) for postage payment and to generate records monitoring mail volumes and discounts.

- e. Production of mail using an automated system to ensure proper mail preparation and accurate postage calculations.
- f. Implementation of a quality control program to ensure proper mail preparation and to provide accurate documentation of mailings and postage payment.

2.3 Application

2.3.1 Initial Request

A mailer seeking to enter into an NSA with the USPS comparable to the NSA under [1.0](#) must submit a written proposal, together with appropriate supporting documentation, to the USPS manager of Pricing Strategy (see [608.8.0](#) for address). The proposal must contain a general statement of the reasons for requesting the NSA, and a summary of the information addressing the elements of comparability described in [2.2.1](#) and [2.2.2](#).

2.3.2 Negotiation

As a result of the proposal, the mailer and the USPS may negotiate a service agreement comparable to the NSA under [1.0](#), but with terms and conditions specific to the mailer. To take effect as an experimental mail classification, the comparable NSA must be recommended and approved pursuant to Chapter 36 of Title 39 of the United States Code, and the Postal Rate Commission's rules of practice and procedure. A mailer may withdraw its proposal for a comparable NSA at any time prior to agreement. Once concluded, a comparable NSA is controlled by its terms and conditions. Nothing in these regulations prohibits a mailer from seeking an NSA not comparable to the NSA under [2.1](#).

2.3.3 Determination Not to Conclude a Comparable NSA

If negotiations between the mailer and the USPS end without the parties reaching an agreement comparable to the NSA under [2.1](#), the mailer may request that the manager of Pricing Strategy (see [608.8.0](#) for address) explain the determination in writing. The mailer may ask for reconsideration of the decision to end negotiations within 15 days from the receipt of the written explanation. The request for reconsideration may include additional information and reasons why negotiations for a comparable NSA should be resumed, and should be submitted through the manager of Pricing Strategy to the Vice President, Pricing and Classification (see [608.8.0](#) for address).

3.0 Outside-County Periodicals Copalletization Drop-Ship Classification

3.1 Eligibility

3.1.1 Description

The standards in [3.0](#) apply to mailings that are produced by mailers and consolidators who are approved to participate in the Outside-County Periodicals Copalletization Drop-Ship Classification experiment.

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3.1.2 Rate Application

The Outside-County Copalletization Drop-Ship Classification discounts apply to pieces meeting the standards in [3.0](#).

3.1.3 Basic Standards

The basic standards for copalletized mailings are as follows:

- a. Each mailing must consist of at least two different Periodicals publications or two different editions, segments, or versions of a Periodicals publication.
- b. Each mailing must be presented with the correct postage statement(s). Mailings consisting of different Periodicals publications must be accompanied by a separate postage statement for each publication. Mailings consisting of different editions or versions of the same Periodicals publication must be accompanied by one consolidated postage statement and a register of mailings.
- c. Each mailing must meet the documentation and postage payment standards outlined in [3.0](#) and [707.16.0](#).
- d. Each mailing must be entered and postage paid at the post office where consolidation takes place, except that postage for publications authorized under the Centralized Postage Payment (CPP) system may be paid to the Pricing and Classification Service Center (PCSC). Each publication included in a mailing under these standards must be authorized for original entry or additional entry at the post office where the consolidated mailing is entered.

3.1.4 Discount Eligibility

To be eligible for one of the discounts, mailpieces must be:

- a. Part of a Periodicals mailing meeting the standards in [707.22.0](#), [707.25.0](#), or [705.9.0](#).
- b. Part of a mailing segment with less than 250 pounds per title or version per ADC destination, if independently presorted. This includes mail for an ADC service area that remains after finer levels of pallets are prepared.
- c. Prepared as bundles on pallets.
- d. Prepared on either an ADC or SCF pallet of copalletized pieces. Mailers may build on ADC or SCF pallets of 250 or more pounds prepared as part of the original presort. However, the pieces originally on these pallets (250 or more pounds per title or edition) do not qualify for the copalletization discounts.
- e. Drop-shipped to the appropriate DADC or DSCF.

3.2 Documentation

Each mailing must be accompanied by documentation meeting the standards in [707.17.0](#), as well as any other mailing information requested by the USPS to support the postage claimed (e.g., advertising percentage and weight per copy). Documentation must be presented by title and version, segment, or edition; or by codes representing each title and version, segment, or edition included in the copalletized mailing. In addition, documentation for the copalletized mailing must:

- a. Upon request, include presort reports showing how the pieces would have been prepared prior to copalletization.

- b. Include presort and pallet reports showing how the copalletized pieces are prepared and where they will be entered (DADC or DSCF).
- c. Distinguish publications or segments that do not qualify for the copalletization discounts (e.g., because there are 250 or more pounds to an ADC destination) from those that do qualify for the discounts.
- d. Allow easy reconciliation with reports prepared to reflect how mail would have been prepared prior to copalletization if requested to verify compliance with standards for discount eligibility.

3.3 Data Reporting

Each month, the mailer or consolidator must provide the following data in spreadsheet format using the model spreadsheet and timelines provided by the USPS. The data must be sent via email to copal@usps.gov.

- a. Number of titles receiving one or both of the copalletization discounts.
- b. Number of sacks that would have been prepared without copalletization, as well as the weight and the number of addressed pieces that would have been in these sacks.
- c. Number of pallets that would have been prepared without copalletization, as well as the weight and the number of addressed pieces that would have been prepared on pallets.
- d. Number of sacks prepared after copalletization, as well as the weight and the number of addressed pieces in these sacks.
- e. Number of pallets containing mail qualifying for the ADC copalletization discount, as well as the weight and the number of addressed pieces receiving the ADC discount on these pallets.
- f. Number of pallets containing mail qualifying for the SCF copalletization discount, as well as the weight and the number of addressed pieces receiving the SCF discount on these pallets.

3.4 Available Discounts

The following discounts are available:

- a. For pieces sorted to an SCF or ADC pallet of 250 or more pounds and drop shipped to the appropriate DADC: \$0.007 per piece.
- b. For pieces sorted to an SCF pallet of 250 or more pounds and drop shipped to the appropriate DSCF: \$0.011 per piece.
- c. Copalletized pieces sorted to overflow DSCF or DADC pallets qualify for the corresponding copalletization discount.
- d. Copalletized pieces sorted to ADC pallets weighing between 100 and 250 pounds and drop shipped to the appropriate DADC: \$0.007 per piece.

3.5 Request to Participate

A mailer or consolidator may request approval to mail in the experimental Outside-County Periodicals Copalletization Drop-Ship test by submitting a written request to the manager, Mailing Standards (see [608.8.0](#) for address). The request must be accompanied by the following:

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- a. A completed application form (available from the manager, Mailing Standards).
- b. A process map and narrative demonstrating how and where presort and copalletization reports (including “before” and “after” data) are created as they relate to mail movement and consolidation of bundles to be copalletized. The map and narrative must also describe mail movement from production through the copalletization process to dispatch to destination entry postal facilities.
- c. Samples of all required documentation that must be provided at the time of mailing, including “before” and “after” reports and postage statements. The sample reports must demonstrate:
 1. How the copalletized portion of the mailing is segregated from other mailing segments on the “before” reports.
 2. How mailing jobs, mailing segments, and containers will be identified in both “before” and “after” reports to allow reconciliation of the reports.
 3. How pieces appearing on the “after” reports that qualify for the copalletization discounts (mailing segments with less than 250 pounds to an ADC) are differentiated from those that do not (mailing segments with 250 or more pounds to an ADC).
- d. An explanation of how data for mailings included under the copalletization experiment will be collected and reported to the USPS, including whether the model spreadsheet provided by the USPS can be used.
- e. A list of the publications to be included initially in the test and evidence that each publication has obtained the appropriate additional entry authorization at the office where mailings will be verified and postage paid. The list must indicate if the publications are authorized under the Centralized Postage Payment (CPP) system. If the applicant is not a printer and/or is consolidating publications for other printers, a list of these printers must be included with the application.

3.6 Decision on Request

The manager, Mailing Standards, approves or denies a written request to participate in the experimental Outside-County Periodicals Copalletization Drop-Ship Classification test. If the application is approved, the mailer or consolidator will be notified in writing by the manager, Mailing Standards. Initial approval is for a conditional 90-day period. When the mailer or consolidator has demonstrated the ability to prepare and enter mailings under the standards in 3.0, final authorization will be granted. If the application is denied, the mailer or consolidator may file at a later date or submit additional information needed to support the request.

3.7 USPS Suspension

The manager, Mailing Standards, may suspend at any time an approval to participate in the experiment when there is an indication that postal revenue is not fully protected. The manager will notify the participant in writing of the decision. The suspension becomes effective upon the mailer’s receipt of the notification.

4.0 Outside-County Periodicals Copalletization Drop-Ship Discounts for High-Editorial, Heavy-Weight, Small-Circulation Publications

4.1 Eligibility

4.1.1 Description

The standards in 4.0 apply to mailings that are produced by mailers and consolidators who are approved to use the outside-county Periodicals copalletization drop-ship discounts for high-editorial, heavy-weight, small-circulation publications.

4.1.2 Rate Application

The outside-county copalletization drop-ship per-pound discounts apply to pieces meeting the standards in 4.0.

4.1.3 Basic Standards

The basic standards for eligibility under 4.0 are as follows:

- a. The advertising content of the publication must be 15 percent or less.
- b. The weight per copy must be 9 ounces or more.
- c. The total mailed circulation must be 75,000 addressed pieces or less (including all editions, issues, and supplemental mailings).
- d. Each mailing must consist of at least two different Periodicals publications or two different editions, segments, or versions of a Periodicals publication. Each mailing must be presented with the correct postage statement(s) and register of mailing. Mailings consisting of different Periodicals publications must be accompanied by separate postage statements for each publication. Mailings consisting of different editions or versions of the same Periodicals publication must be accompanied by one consolidated postage statement and a register of mailings.
- e. Each mailing must meet the documentation and postage payment standards outlined in 4.2 and 707.16.0 and 707.17.0.
- f. Each mailing must be entered, and postage must be paid, at the post office where consolidation takes place, except that postage for publications authorized under the Centralized Postage Payment (CPP) system may be paid to the Pricing and Classification Service Center (PCSC). Each publication included in a mailing under these standards must be authorized for original entry or additional entry at the post office where the copalletized mailing is entered.

4.1.4 Discount Eligibility

To be eligible for the discounts, mailpieces must be:

- a. Part of a Periodicals mailing meeting the standards in 705.9.0 through 705.13.0, 707.22.0, 707.23.0, 707.25.0, or 707.26.0.
- b. Part of a mailing segment with less than 250 pounds per title or version per ADC destination, if independently presorted. This includes mail for an ADC service area that remains after finer levels of pallets are prepared.

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- c. Prepared as bundles on pallets under 705.8.0, or under 705.9.0 through 705.13.0.
- d. Prepared on either an ADC or SCF pallet of copalletized pieces. Mailers may build on ADC or SCF pallets of 250 or more pounds prepared as part of the original presort. However, the pieces originally on these pallets (250 or more pounds per title or edition) do not qualify for the copalletization discounts.

4.2 Documentation

Each mailing must be accompanied by documentation meeting the standards in 708.1.0, as well as any other mailing information requested by the USPS to support the postage claimed (e.g., advertising percentage and weight per copy).

Documentation must be presented by title and version, segment, or edition; or by codes representing each title and version, segment, or edition included in the copalletized mailing. In addition, documentation for the copalletized mailing must:

- a. Include a detailed listing documenting the distribution of total advertising and editorial pounds to each zone “before” copalletization, based on origin entry of the mail (i.e., entry at the plant or the local post office for the plant, where it is printed and presorted into bundles ready for copalletization and mailing).
- b. Upon request, include presort reports showing how the pieces would have been prepared prior to copalletization.
- c. Include presort and pallet reports showing how the copalletized pieces are prepared and where they will be entered (DADC or DSCF).
- d. Distinguish publications or segments that do not qualify for the copalletization discounts (e.g., because there are 250 or more pounds to an ADC destination) from those that do qualify for the discounts (e.g., existing per-piece copalletization discounts and new per-pound discount).
- e. Allow easy reconciliation with reports prepared to reflect how mail would have been prepared prior to copalletization if requested to verify compliance with standards for discount eligibility.

4.3 Data Reporting

Each month, the mailer or consolidator must provide the following data via e-mail to copal@usps.gov in spreadsheet format using the model spreadsheet and timelines provided by the USPS:

- a. Number of titles receiving the new copalletization discounts for high editorial publications.
- b. Number of sacks that would have been prepared without copalletization, as well as the total weight, the editorial weight, and the number of addressed pieces that would have been in these sacks, by destination ADC and destination SCF.
- c. Number of sacks prepared after copalletization, as well as the weight and the number of addressed pieces in these sacks.

- d. Number of pallets containing mail qualifying for the ADC copalletization discounts, as well as the weight and the number of addressed pieces receiving the ADC discount on these pallets. Pallets containing some bundles that use the per-piece discounts and some bundles that use the per-pound discount must be counted separately.
- e. Number of pallets containing mail qualifying for the SCF copalletization discounts, as well as the weight and the number of addressed pieces receiving the SCF discount on these pallets. Pallets containing some bundles that use the per-piece discounts and some bundles that use the per-pound discount must be counted separately.

4.4 Discounts

4.4.1 Basic Standards

Pieces must be prepared on one of the following:

- a. An SCF or ADC pallet of 250 or more pounds drop shipped to the appropriate DADC.
- b. An SCF pallet of 250 or more pounds drop shipped to the appropriate DSCF.
- c. An overflow DSCF or DADC pallet drop shipped to the appropriate DSCF or DADC.
- d. An ADC pallet weighing between 100 and 250 pounds and drop shipped to the appropriate DADC.

4.4.2 Discounts and Description

The discounts in [Exhibit 4.4.2](#) are applicable to editorial pounds of the copalletized pieces prepared on an ADC or SCF pallet and entered at the destination ADC and SCF. The discounts are dependent on the applicable zones that would have resulted from origin entry of the publications without copalletization.

Exhibit 4.4.2 Discount for Copalletized Pieces Prepared on an ADC or SCF Pallet

ZONE	DISCOUNT	
	DADC	DSCF
1 & 2	\$0.008	\$0.015
3	0.014	0.020
4	0.030	0.036
5	0.053	0.059
6	0.077	0.083
7	0.106	0.113
8	0.132	0.138

4.5 Request to Participate

A mailer or consolidator may request approval to use the outside-county Periodicals copalletization drop-ship per-pound discounts by submitting a written request to the manager, Mailing Standards (see [608.8.0](#) for address). The request must be accompanied by the following:

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- a. A completed application form (available from the manager, Mailing Standards).
- b. A process map and narrative demonstrating how and where presort and copalletization reports (including “before” and “after” data) are created as they relate to mail movement and consolidation of bundles to be copalletized. The map and narrative must also describe mail movement from production through the copalletization process including dispatch to destination entry USPS facilities.
- c. Samples of all required documentation that will be used to substantiate eligibility for the discounts, and of the documentation that must be provided at the time of mailing, including “before” and “after” reports and postage statements. The sample reports must demonstrate:
 1. How the copalletized portion of the mailing is segregated from other mailing segments on the “before” reports.
 2. How mailing jobs, mailing segments, and containers will be identified in both “before” and “after” reports to allow reconciliation of the reports.
 3. How pieces appearing on the “after” reports that qualify for the copalletization discounts (mailing segments with less than 250 pounds to an ADC) are differentiated from those that do not (mailing segments with 250 or more pounds to an ADC).
 4. How pieces receiving the per-pound discounts are differentiated from those receiving the per-piece discounts.
- d. A detailed listing documenting the distribution of total advertising and editorial pounds to each zone “before” copalletization, based on origin entry of the mail (i.e., entry at the plant or the local post office for the plant, where it is printed and presorted into bundles ready for copalletization and mailing).
- e. An explanation of how data for mailings included under the copalletization experiment will be collected and reported to the USPS, including whether the model spreadsheet provided by the USPS can be used.
- f. A list of the publications to be included initially in the test and evidence that each publication has obtained the appropriate additional entry authorization at the office where mailings will be verified and postage paid. The list must indicate if the publications are authorized under the Centralized Postage Payment (CPP) system. If the applicant is not a printer and/or is consolidating publications for other printers, a list of those printers must be included with the application.

4.6 Decision on Request

The manager, Mailing Standards, approves or denies a written request to use the experimental outside-county Periodicals copalletization per-pound discounts. If the application is approved, the mailer or consolidator will be notified in writing by the manager, Mailing Standards. Initial approval is for a conditional 90-day period. When the mailer or consolidator has demonstrated the ability to prepare and enter mailings under the standards in 4.0, final authorization will be granted. If the application is denied, the mailer or consolidator may file at a later date or submit additional information needed to support the request.

4.7 USPS Suspension

The manager, Mailing Standards, may suspend at any time an approval to use the per-pound discounts when there is an indication that USPS revenue is not fully protected. The manager will notify the participant in writing of the decision. The suspension becomes effective upon the mailer's receipt of the notification.

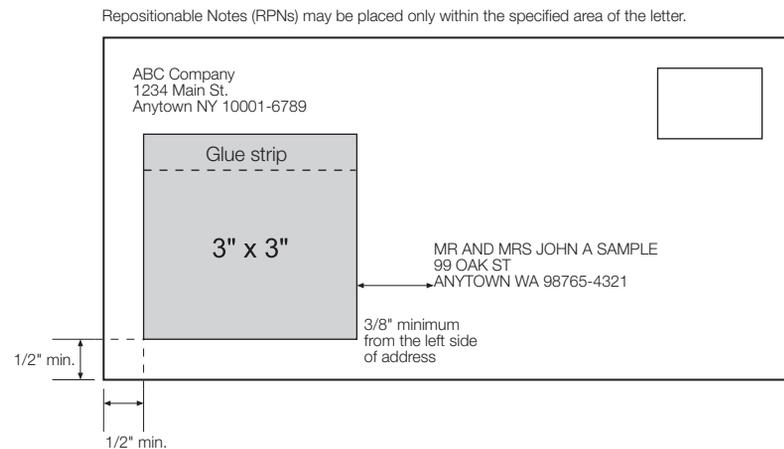
5.0 Repositionable Notes

5.1 Use

Repositionable Notes must meet all of the following standards:

- a. Repositionable Notes (RPNs) may be attached to letter- and flat-size discount First-Class Mail, Standard Mail, and Periodicals mailpieces.
- b. For letter-size mailpieces, attach a single RPN to the address side of the mailpiece as specified in [Exhibit 5.1b](#).

Exhibit 5.1b Placing RPNs on Letters



- c. For flat-size mailpieces, a single RPN may be attached to either the address side or nonaddress side of the mailpiece and attached in the locations described and shown in [Exhibit 5.3g1](#) and [Exhibit 5.3g2](#).
- d. RPNs are included as an integral part of the mailpiece for weight and postage rate computation purposes.
- e. The written and graphic characteristics of the notes are considered when determining eligibility of mailpieces mailed at the Standard Mail and Nonprofit Standard Mail rates.
- f. Attach the RPNs to all pieces in the mailing.

5.2 Mailpiece Characteristics

Each mailpiece must:

- a. Not be in a plastic wrapper (e.g., polybag, polywrap, or shrinkwrap).

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- b. Be letter-size (including cards) or flat-size.

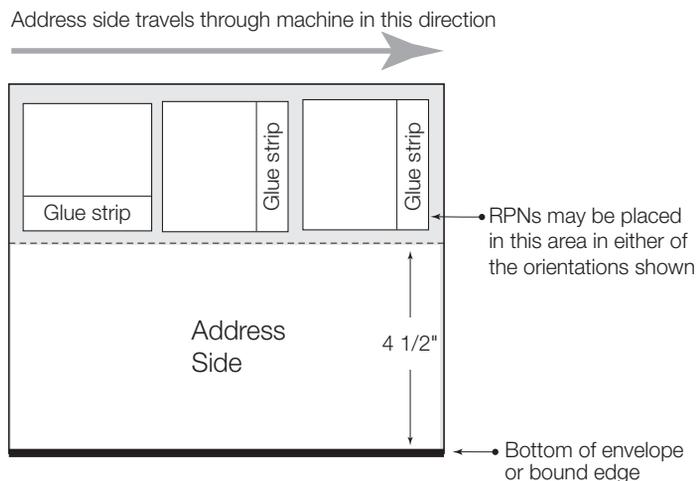
5.3 RPN Characteristics

RPNs must:

- a. Measure 3 inches by 3 inches, plus or minus 1/8 inch for either dimension.
- b. Not contain phosphorescent or red fluorescent colorants.
- c. Be adhered with a minimum of 3/4 inch (with a tolerance of 1/16 inch) adhesive strip across the top portion on the reverse side of the note.
- d. Not be placed in a manner that interferes with the delivery address, rate markings, or postage and must not display a specific address or ZIP Code. References to general landmarks are permissible.
- e. Not be manually affixed.
- f. On letter-size mailpieces:
 1. Position the RPN parallel with the length of the mailpiece.
 2. Affix RPNs with labeling equipment to ensure adequate adhesion; do not affix RPNs manually.
 3. Place the RPN to the left of the delivery address, no closer than 3/8 inch from the left edge of the delivery address.
 4. Place the RPN at least 1/2 inch (with a tolerance of 1/8 inch) from the bottom and left edges of the mailpiece.
- g. On flat-size mailpieces:
 1. If the RPN is placed on the address side of the mailpiece, position the RPN according to [Exhibit 5.3g1](#).

Exhibit 5.3g1 Placing RPNs on Flats—Address Side

Repositionable Notes (RPNs) may be placed only within the specified gray areas of the flat.

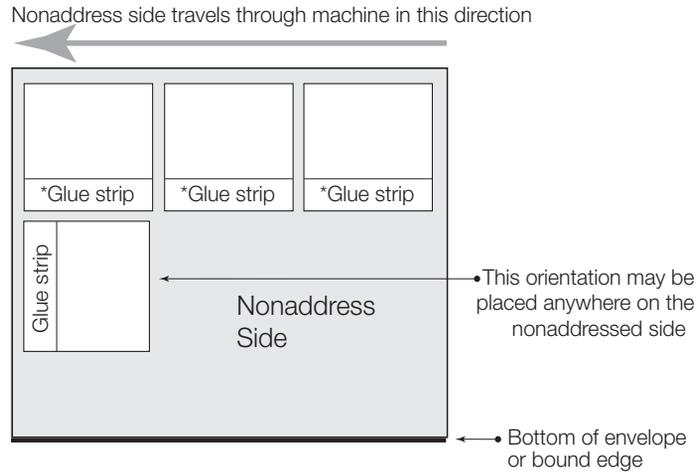


2. If the RPN is placed on the nonaddressed side of the mailpiece, position the RPN according to Exhibit 5.3g2.

Exhibit 5.3g2 Placing RPNs on Flats—Nonaddress Side

Repositionable Notes (RPNs) may be placed only within the specified gray areas of the flat.

**The RPNs marked with a * represent the only allowable positions for RPNs on the non-address side with the glue strip orientation shown.*



5.4 RPNs on Automation-Rate Mailpieces

5.4.1 Letter-Size Mailpieces

Letter-size mailpieces with RPNs claiming automation rates must meet the standards in 5.1 through 5.3, 201.3.0, and the following additional standards:

- a. Each mailpiece must be rectangular and have a surface smoothness of 195 Sheffield Units or smoother.
- b. *Enveloped mailpieces.* Each mailpiece prepared in an envelope must be constructed from paperstock having a basis weight of 20 pounds or greater. Window envelopes must have a closed panel made of polystyrene or glassine. Each enveloped mailpiece is limited to the following dimensions:
 1. For height, no less than 4-1/8 inches and no more than 6 inches high.
 2. For length, no less than 8 inches and no more than 9-1/2 inches long.
 3. For thickness, no less than 0.02 inch and no more than 0.125 inch thick.
- c. *Oversize cards.* Each mailpiece prepared as an oversize card is limited to the following dimensions:
 1. For height, no less than 4-1/2 inches and no more than 6 inches high.
 2. For length, no less than 8-1/2 inches and no more than 9 inches long.
 3. For thickness, no less than 0.009 inch thick (cards 5-3/4 inches or more in height must be no less than 0.012 inch thick.)

709.5.4.2

5.4.2 Flat-Size Mailpieces

Flat-size mailpieces with RPNs claiming automation rates must meet the standards in [5.1](#) through [5.3](#) and [301.3.0](#).

5.5 Rates

Discount First-Class Mail – \$0.005
Standard Mail and Periodicals – \$0.015

5.6 Compliance

Mailers must comply as follows:

- a. Repositionable notes must be obtained from an approved repositionable notes vendor (see www.usps.com for a listing of approved vendors). Prospective vendors can obtain USPS standards and test procedures from USPS Engineering (see [608.8.0](#) for address). Testing must be performed by a certified independent laboratory.
- b. Mailers must present evidence at the time of mailing to show that their repositionable notes have been supplied by an approved vendor. The vendor name on the reverse of the note will be sufficient as evidence; in lieu of the vendor name printed on the notes, an invoice from the approved vendor for purchase of the repositionable notes will constitute such evidence.
- c. As part of each mailing, mailers must include two pieces addressed to the manager, USPS Engineering Letter Tech, Attn: RPN Sample (see [608.8.0](#) for address); and two pieces addressed to the manager, Pricing and Classification Service Center, Attn: RPN Sample (see [608.8.4.1](#) for address).

6.0 Premium Forwarding Service**6.1 Description and Purpose**

Premium Forwarding Service (PFS) is a 2-year experiment that, upon payment of postage and fees, provides residential delivery customers and certain post office box customers an option to have all mail addressed to their primary address reshipped or rerouted to a temporary address mainly by means of a weekly Priority Mail shipment. PFS is available for a period of not less than 2 weeks and not more than 1 year. This optional service is in addition to the current piece-by-piece forwarding service currently offered by USPS, whereby only certain mailpieces are forwarded.

6.2 Eligibility**6.2.1 Use**

Participation in PFS is subject to the following standards:

- a. PFS is available to residential delivery customers and all size-one or size-two post office box customers.
- b. A customer must submit a completed PFS application, Form 8176, to the post office (or a station or branch of that post office) responsible for delivery to the customer's primary address. The enrollment fee and reshipment charges for the full duration of requested service must accompany the application form.

- c. Except as provided in [6.2.1d](#), customers must designate on the application form whether the order is for an “Individual” or an “Entire Household.”
- d. For customers whose primary address is a post office box, only the boxholder is authorized to initiate the application, and “Entire Household” must be designated on the application.
- e. PFS is available for a period of not less than 2 weeks and not more than 1 year.
- f. PFS is available only from and to domestic addresses.
- g. PFS is available to, but not from, single-point delivery addresses (e.g., RV parks, hospitals, hotels) and U.S. Department of State addresses. See [703.3.0](#) for additional U.S. Department of State requirements.

6.2.2 Prohibited Use

Customers cannot have a temporary or permanent forwarding order active simultaneously with enrollment in PFS. PFS cannot be combined with any ancillary or extra services beyond those purchased by the original sender. In addition, PFS is not available for:

- a. Customers whose primary address is a size-three, size-four, or size-five post office box. Residential customers who use these post office box sizes due to the unavailability of smaller boxes may request a waiver of this restriction.
- b. Customers whose primary address is a business delivery address.
- c. Customers whose primary address is a central point to which the USPS provides delivery in bulk to a third party, such as a commercial mail receiving agency (CMRA), RV park, trailer park, or hotel.
- d. Customers whose primary address or temporary address is an APO or FPO.
- e. Customers whose temporary address is within the 969 3-digit ZIP Code area or is otherwise in a U.S. territory or possession that requires a customs declaration.

6.3 Rates and Fees

6.3.1 Enrollment

Customers must pay a \$10.00 nonrefundable enrollment fee.

6.3.2 Charge Per Reshipment

The reshipment charge for each Priority Mail shipment is \$11.95 for each week of service requested. The amount due for the total weeks requested must be paid in full at the time of enrollment.

6.4 Extension or Early Termination

6.4.1 Early Termination of Service

A customer who terminates PFS early (e.g., a customer prepays for 10 weeks but returns to a primary address after 8 weeks) may request a refund for any unused weekly shipment charges from the post office serving the primary address. The enrollment fee is nonrefundable.

6.4.2 Extension of Service

A PFS customer may contact the post office responsible for delivery to the primary address prior to the last shipment date and extend PFS service (up to 1 year maximum service from the initial start date) as needed. An extension is processed only after the post office receives payment of all postage and fees for the extension.

6.5 Disposition of PFS Mail**6.5.1 Weekly Priority Mail Reshipments**

Regardless of any mailer's ancillary service endorsement on a mailpiece, all mail is reshipped in the weekly Priority Mail shipment, except as specified in [6.5.2](#) through [6.5.8](#).

6.5.2 Mailpieces Arriving at the Primary Address Endorsed "Surface Mail Only" or With Other Hazardous Materials Markings

Any mailpiece arriving at the primary address that indicates surface only transportation or bears other hazardous materials markings (e.g., Label 127, "Surface Mail Only"; ORM-D) cannot be reshipped in the weekly Priority Mail shipment and must be separately rerouted via surface transportation.

6.5.3 Mailpieces Requiring a Scan or Signature at Delivery

Mailpieces requiring a scan or signature at delivery (e.g., Express Mail, Certified Mail, numbered insured mail, mailpieces with Delivery Confirmation) are appropriately scanned, then immediately and separately rerouted to the temporary address, subject to the following:

- a. Express Mail, Priority Mail, and First-Class Mail are rerouted at no additional charge.
- b. Standard Mail parcels are separately rerouted postage due at the appropriate 1-pound Parcel Post single-piece rate.
- c. Package Services mailpieces (Parcel Post, Media Mail, Bound Printed Matter, and Library Mail) are separately rerouted postage due at the appropriate single-piece rate in the subclass in which the mailpiece was originally shipped. For Parcel Select items, the applicable rate is the Parcel Post rate.

6.5.4 Priority Mail Not Requiring a Scan or Signature at Delivery

Priority Mail that does not require a scan or signature at delivery is immediately and separately rerouted to the temporary address, unless it will fit into the weekly Priority Mail shipment and such inclusion does not delay its delivery to the temporary address.

6.5.5 Large First-Class Mail and Periodicals Parcels Mail Not Requiring a Scan or Signature at Delivery

First-Class Mail and Periodicals parcels (firm bundles) not requiring a scan or signature at delivery and that do not fit into the weekly Priority Mail shipment are separately rerouted at no additional charge.

6.5.6 Standard Mail Parcels Not Requiring a Scan or Signature at Delivery

Eligible Standard Mail parcels that do not require a scan or signature at delivery are included in the weekly Priority Mail shipment provided they will fit. Parcels that do not fit or are otherwise ineligible (e.g., mailpieces identified as surface transportation only) are separately rerouted postage due at the appropriate 1-pound Parcel Post single-piece rate.

6.5.7 Package Services Mailpieces Not Requiring a Scan or Signature at Delivery

Package Service mailpieces not requiring a scan or signature at delivery are handled as follows:

- a. Package Services mailpieces (Parcel Post, Media Mail, Bound Printed Matter, and Library Mail) are separately rerouted postage due at the appropriate single-piece rate in the subclass in which the mailpiece was originally shipped. For Parcel Select items, the applicable rate is the Parcel Post rate.
- b. Oversized Parcel Post parcels are rerouted postage due at the appropriate oversized Parcel Post rate.

6.5.8 Mailpieces Arriving Postage Due at the Primary Address

Any mailpiece arriving postage due at the post office serving a PFS customer's primary address is not reshipped in the weekly Priority Mail shipment and will be rerouted individually. Mailpieces arriving postage due are rerouted as follows:

- a. Postage due First-Class Mail mailpieces are rerouted as First-Class Mail postage due. Only the original postage due amount is collected. There is no additional charge for rerouting the mailpiece.
- b. Postage due Priority Mail mailpieces are rerouted as Priority Mail postage due. Only the original postage due amount is collected. There is no additional charge for rerouting the mailpiece.
- c. Postage due Package Services mailpieces, other than oversized Parcel Post mailpieces, are rerouted postage due at the appropriate single-piece rate in the subclass in which the mailpiece was originally shipped. For Parcel Select items, the applicable rate is the Parcel Post rate. The total postage due for Package Services mailpieces is the sum of the postage due at the time of receipt at the primary address plus the postage due for rerouting the mailpiece from the primary post office to the temporary address at the appropriate single-piece rate.
- d. Postage due oversized Parcel Post mailpieces are rerouted as Parcel Post. The total postage due is the sum of the postage due at the time of receipt at the primary address and the postage due for rerouting the mailpiece from the primary post office to the temporary address at the appropriate oversized Parcel Post rate.

709.6.5.8